

The complaint

Mr M has complained that AXA Insurance UK Plc voided his buildings insurance policy and declined a claim he'd made on it.

Reference to AXA includes its representatives.

What happened

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Mr M took out buildings insurance, underwritten by AXA, for his flat in October 2017. It renewed annually.
- In September 2024, Mr M got in touch with AXA following water damage to the flat. It initially made an offer to settle the claim by cash payment. As this offer wasn't based on quotes or a physical inspection of the damage, Mr M asked AXA to reconsider. It sent a surveyor, who thought the repairs would cost more than AXA had offered. The surveyor also noted the roof of the building was flat and not of standard construction.
- AXA voided the policy, declined the claim, and said it would return the premiums Mr M had paid. It said Mr M had made a misrepresentation when the policy renewed. Whilst Mr M had said the property was of 'standard construction', AXA didn't think that was the case. It said it wouldn't have offered Mr M a policy if it had known this.
- Mr M complained. He noted his flat was in the middle of three, so it didn't have a roof, and the construction of the roof didn't directly impact his flat. He also noted the water damage didn't come from the roof, but from the neighbour in the flat above.
- AXA maintained its position. Mr M referred his complaint to this Service. Despite AXA saying it had voided his policy, and would refund his premiums, he said it had continued to take his premiums.
- Our investigator thought AXA had acted fairly. She thought it had shown Mr M had made a misrepresentation. And, but for that misrepresentation, it wouldn't have offered him a policy. So it was entitled to void the policy and decline the claim.
- Mr M didn't think this was fair and asked for his complaint to be referred to an Ombudsman. So it's been passed to me.

My provisional decision

I recently issued a provisional decision in which I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

- In summary, AXA has voided the policy and declined the claim because it doesn't think Mr M provided accurate information when the policy was renewed.
- The relevant law for this situation is the Insurance Act ("the Act"). It places a duty on the commercial customer, in this case Mr M, to 'make a fair presentation of the risk' when taking out or renewing the policy for his rental property. In summary, if Mr M fulfilled that duty, AXA can take no action. If AXA can show he didn't fulfil that duty, and AXA can show that it would have acted differently if he had fulfilled that duty, the Act sets out the remedies available to AXA. That can include voiding the policy and declining a claim.
- To decide whether Mr M made a fair presentation, my starting point is to establish the information he provided at the relevant time. I'll then go on to consider whether AXA has shown he failed to make a fair presentation when providing such information – and, if so, whether AXA has shown it would have acted differently if he had made a fair presentation.
- As the claim was made in September 2024, the relevant time is the renewal prior to that – in October 2023. At that time, AXA asked Mr M '[is] your property of standard construction'. He said it was.
- This is a question about Mr M's flat specifically, not the wider block. So I think Mr M was entitled to understand that AXA was only interested in the construction of his flat, not the wider block.
- Mr M's flat is the middle one of three. There seems to be no doubt the roof for the block is mostly, or entirely, flat, and made of felt. But Mr M's flat itself doesn't have a roof because there's another flat above it.
- The question doesn't explain what is meant by 'standard construction'. I understand the original sale in 2017 may have explained it – but that was many years prior. I wouldn't reasonably expect Mr M to recall the details of that sale by 2023, or to cross reference documents in order to understand what AXA wanted to know.
- In these circumstances, I'm not satisfied Mr M failed to make a fair presentation of the risk. The question wasn't clear about the meaning of standard construction and referred to Mr M's flat only. In this context, I'm satisfied he fairly presented the risk.
- But, even if I thought he had failed to do so, I would then go on to consider whether AXA has shown it would have acted differently with a fair presentation.
- AXA has provided this Service with underwriting evidence. It's commercially sensitive, so it wouldn't be appropriate for me to describe it in detail. But I've explained to AXA why I'm not persuaded it clearly shows it would have acted differently – and it hasn't provided further evidence or clarity. So I'm not satisfied AXA has shown it would have acted differently if it had known more about the roof.
- Overall, that means AXA has no remedy under the Act – so it can't take the steps it did to void the policy and decline the claim.
- To put things right, AXA should reinstate the policy and reconsider the claim. It should also remove any reference, internally or externally, to the voidance.

- Mr M has said the water damage and the subsequent action taken by AXA both caused his tenant stress and anxiety. That may be the case but, as our investigator has explained, this Service can only award compensation to an eligible complainant, for any loss suffered by that eligible complainant. In this case, the eligible complainant is Mr M – not his tenant. So I can only consider his losses. And I can't hold AXA responsible for any distress and inconvenience which inevitably flows from the water damage itself – only any additional distress and inconvenience it avoidably caused, if any.
- AXA's unfair actions have clearly caused Mr M some avoidable distress and inconvenience. To recognise the impact on Mr M, AXA should pay compensation. I'm satisfied £300 is fair and reasonable in the circumstances.
- I understand AXA continued to collect the premium from Mr M after it voided the policy – and told him it would return the premiums he'd paid. AXA has said it did this because the case remained under investigation. I can see why that might be helpful. And in this case it is, because the premiums will still need to be paid. But I think AXA could have been clearer with Mr M about what it would do, and why, so he understood the position.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Both parties accepted my provisional decision without further comment. As a result, I don't need to consider or comment on the matter further. I remain satisfied the remedy I set out in my provisional decision is fair and reasonable for the reasons given.

My final decision

I uphold this complaint.

I require AXA Insurance UK Plc to:

- Reinstate the policy.
- Reconsider the claim.
- Remove from any internal or external databases any reference to the voidance.
- Pay £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 July 2025.

James Neville
Ombudsman